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PLANNING IN SYRIA

By Dr. S. MAZLOUM,
General Secretary
to the Ministry of Planning,
Dr. Y. HELBAOUI,
Director of Economic Analysis

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PLANNING IN SYRIA

DR. S. MAZLOUM, GENERAL SECRETARY TO THE
MINISTRY OF PLANNING
AND
DR. Y. HELBAOUI, DIRECTOR OF ECONOMIC ANALYSIS

SUMMARY

The problem of economic and social development is a particularly pressing one at the present time and is being studied today with an intensity which has never before been manifested in the history of economic thought.

To provide for the serious problem of under-development, the action now being taken is characterised by the firm intention of planners to guide economic and social development in a definite direction and at a quicker rhythm. Nowadays, the State is no longer satisfied with providing a temporary solution to economic difficulties, under the pressure of immediate interests, by sporadic and intermittent measures which constitute isolated reactions to special problems. Henceforward, the action taken to encourage development will be designed within the framework of a comprehensive plan which embraces the entire economic life; based on a study of the structure of the community and the prevailing situations, action will take the form of long-term planning and co-ordinated achievements for determined objectives.

Accordingly, in modern times, development and planning are becoming complementary terms and a country's development cannot be envisaged without recourse to a plan which co-ordinates contemplated methods of action with existing possibilities and which aims to guide and expedite social and economic evolution.

I. General Features of Planning in Syria.

Well aware of this necessity, Syria, which has at its disposal a considerable potential of natural and human resources, has for the past twenty years tried various formulae for organising its resources and for promoting rational exploitation of its wealth by the preparation of comprehensive programmes. It was in this way that a development programme was drawn up in 1955, grouping various basic

projects in the domains of irrigation, transport, power, etc., and financed by a special budget extending over a period of seven years (1955-1962). A little later, in 1959, a special organisation called "the Institution of Economic Development" was created to study and carry out various infrastructural projects; a five-year industrial programme was also prepared by the Ministry of Industry to be carried out jointly by the State and private enterprise. However, it must be recognised that these were only attempts at planning rather than an actual planning programme.

It was only in 1960 that large-scale action was taken for the establishment of a ten-year plan for economic and social development; the plan, established for the period 1960-1970, has the following features:

1) It roughs out a general framework embracing all the economic and social activities of the nation, in the fields of agriculture, industry, transport, power, education, social services, etc. Based on a detailed inventory of natural and human resources, it defines investment programmes, guides production, consumption and distribution of goods produced, and traces the broad outlines of the integral development of the country.

2) The projects covered by the plan, which was designed for a period of ten years, have been divided into two periods of five years, which are in their turn divided into one-year periods. Inside this comprehensive framework, the first five-year plan (1960-1965) set forth definite objectives for each of the sectors of the country's economy and defined projects to be carried out, necessary investments, resources to be used and results to be obtained. The annual plans are formulated in their turn so as to fulfil the proposed objectives, with a flexibility which renders them adaptable to the fluctuations of the prevailing economic situation.

3) The plan brings the nation's entire strength into play: it associates with government action the action taken by private enterprise, so as to benefit from all the vitality and resources displayed by the latter in the economic rise of the country during this last decade.

The plan is devised by mixed committees, grouping both representatives of private enterprise (banks, Chambers of Commerce and Industry, farmers, business men and experts in the various fields) and delegates from the different Ministries and public services. The plan reflects the sum total of the combined efforts of the various sectors of the community, co-ordinated with a

view to achieving the desired objectives in the best possible way.

4) As well as defining investments, the plan provides for the resources necessary to finance them. These resources are made up by the allocation of part of the ordinary income of the State, by the earmarking of available surpluses from autonomous administrations, by other special income and by loans from external sources. Income and expenditure are the subject of a special annual budget, known as the "Development Budget", which is approved and executed under the same conditions as the ordinary national budget.

5) Finally, the Syrian plan is characterised by a considerable decentralisation in its execution; under the supervision of the planning organisation, it allocates the execution of the programmes prepared to the various State departments and to private individuals.

II. Planning Organisation.

The body responsible for preparing the development plan, defining its successive stages and supervising its execution is the Ministry of Planning.

The Ministry acts through the following departments :

1) The Statistics Department, responsible for the collation and presentation of the basic data;

2) The Planning Department, responsible for devising the general framework of the plan, following economic development, analysing situations and studying financial problems;

3) The Department for the Supervision of Programmes, responsible for co-ordinating programmes and supervising their execution; it has at its disposal various specialised units for each sector of activity (irrigation and agriculture, industry, mines and petroleum, transport, social services, etc.);

4) Finally, the Technical and Economic Assistance Department, responsible for co-ordinating the assistance provided by virtue of international or bilateral agreements and for ensuring its distribution among the benefiting services, in accordance with the objectives of the plan and to suit their respective requirements.

Formulation of the Plan:

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The formulation of the plan as we have reported it is the responsibility of mixed committees for investigation and research, including representatives of the various Ministries and the various sectors of the economy; their task is to define needs, examine available resources and propose investment programmes.

The reports of these committees, when analysed, discussed and co-ordinated, serve to form the framework of the definitive plan; the plan thus established is presented to an Inter-Ministerial Committee formed of nominees of the principal Ministries concerned in economic development, which Committee studies it and finally submits it for the approval of the Legislative Authority.

Within the framework of the comprehensive plan thus defined, annual investment programmes are prepared, in harmony with the means for financing and execution which are available.

Supervision of Execution of the Plan:

So that a check can be kept on the way the plan is being executed, periodical, quarterly and annual reports are submitted to the Ministry of Planning by the various Ministries or Institutions responsible for execution. These reports detail the stage reached with the proposed projects and the progress made, both in the public and private sectors with which they are concerned.

Liaison bureaux, set up within the various Ministries or Institutions, assist the Ministry of Planning in collating this information, in interpreting results obtained and in examining measures proposed to ensure greater efficiency.

III. The Objectives of the Plan.

All modern planning has a triple objective, i.e.: to increase the national income, to regularise its annual rhythm and to ensure its fair distribution.

The Syrian plan does not depart from this general trend, its main objectives being:

- to double the national income during the period 1960-1970,
- to reduce annual fluctuations in this income,
- to ensure its fair distribution among the various sections of the population.

It is necessary to point out in this respect that the Syrian National income is quite small (an average of 150 American Dollars per head in 1960), that it is mainly supplied by the agricultural sector and is, on this account, subject to annual hazards due to climatic fluctuations. It is for this reason that the plan has considered ways to reduce these hazards, by developing irrigation schemes and by reinforcing the contribution from the industrial sector and the social services in the formation of the national income.

Syria's national income, estimated during the year (1959-1960) at 2,400,000,000 Syrian Pounds(1), ought to amount to 4,800,000,000 Syrian Pounds at the end of the tenth year. The average annual increase must therefore be 7.2% and, bearing in mind the increase in population which is 2.4% per annum, the annual increase of income per head must reach 4.8%. In order to arrive at this result, the total national income must increase by 40% during the first five years, i.e.: it must reach £S 3,360,000,000 in 1965.

The investment programme has been drawn up to fulfil this purpose and to ensure that each sector of Syrian economy develops at a balanced rate in harmony with its resources and requirements.

IV. Investment and Finance.

The investments proposed by the Syrian Five-Year Plan amount to £S 2,720,000,000 divided as follows among the various sectors :

	Million Syrian Pounds	
Agriculture and irrigation	1,100	40.4%
Industries, mines and power	509	18.7%
Transport and communications	537	19.7%
Housing	260	9.6%
Social services (education, health, etc.)	192	7.1%
Municipal administration and tourism	32	1.2%
Formation of reserves (raw materials and finished products)	90	3.3%
Total	2,720	100 %

Of this total the share reserved for private enterprise represents £S 1,000,000,000 and that allowed to the State £S 1,720,000,000.

The credits necessary to the public sector for the financing of the Plan are taken from the following sources :

(1) corresponding to $ 632,000,000 at the rate of £.S. 3.8 to the dollar.

	Million Syrian Pounds	
- Contribution from the ordinary National Budget	420	24.4%
- Contribution from Municipal Budgets	110	6.4%
- Contribution from the National Debt Fund	98	5.5%
- Contribution from National Insurance, Pensions and Retirement Funds	131	7.7%
- Income from State Property	26	1.5%
- Income from Public Institutions	145	8.4%
- Income from mines and petroleum	100	6 %
- Foreign loans	640	37.1%
- Miscellaneous incomings	50	3 %
Total	1,720	100 %

V. Conclusion.

Two years have passed since this Plan was put into force. What are its results ?

In spite of the political vicissitudes which have beset Syria during this period, proposed investments (which have already amounted to nearly £S 880,000,000) have, generally speaking, been made to the extent of 81% in private enterprise and 63% in the public sector. Certain projects begun have already been completed and put into service (the draining of the Ghab, the Rastan and Méhardé dams, the building of schools and a network of roads, etc.); others are now in progress (the Port at Tartous, the Lattakia railway and certain oil prospecting schemes) or due for commencement (the Euphrates Dam, harnessing of the Khabour, Damascus airports, etc.). The investments proposed for the third stage of the plan, which covers the period July 1962/December 1963, amount to £S 622,000,000 and are sufficient to permit forging ahead with the proposed plan.

However, it is still too early to give a definitive opinion on the results obtained. But, in the light of the achievements of the past two years, it may be said that the plan constitutes a constructive, major feat in the economic and social development of Syria.

This plan, which was prepared in a relatively short space of time, with few available statistics and limited resources, is a useful experiment with undeniable positive aspects. It has made it possible to obtain a clear and accurate idea of the various facets of the problems of economic and social development and has been an ideal instrument for defining priorities and for tracing the broad outlines of a programme to be carried out in the future.

In this perspective, it can be considered as a departure-point and as a start. The results obtained will serve to introduce the necessary modifications to that great experiment, the Ten-Year Plan, and even to policy and planning itself and its objectives in Syria.

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